

Evaluation

RockyMountainBusiness.com Project of the Montana District Export Council
(2000 Technology Opportunities Program Grant Recipient - #30-60-00020, Silver Bow, MT)

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Introduction:

Over a period of almost four years – from late 2000 until early summer 2004 – The Montana District Export Council worked with the Montana World Trade Center, Rocky Mountain Global and WellsFargo Bank to create a Virtual E-Business Incubator, which came to be located at an easy to promote and remember website, www.rockymountainbusiness.com. The purpose of this on-line service was to give small and medium-sized enterprises (SMEs) greater access to e-business tools, helping make them more competitive in the global marketplace.

In 1948, Montana ranked 10th among all U.S. states in per capita income; by the early 1990s, it had sunk to 37th place and by the turn of the century the state was 50th. In recent years, Montana's export performance has ranked 48th, surpassing only Wyoming and Hawaii.

This economic crisis is a direct result of the lack of investment in technology infrastructure and the accompanying support resources that are available in most urban areas. With well more than half of all businesses now involved in e-commerce, Montana and its surrounding states are in grave danger of being left out of the digital revolution.

Introducing technology and e-business resources to Montana's basic industries provides businesses with opportunities to successfully compete in the global marketplace, and holds the greatest possibility for revitalizing state and regional economies. Turning rural SMEs into successful e-businesses makes this project a model for creating the demand necessary for the private sector to provide cutting-edge technologies and services in rural areas. The arrival of those services narrows – and eventually can eliminate – the "Digital Divide" between rural and urban communities.

The Incubator – which was in development for two years prior to going live in 2002 cost \$952,330 from start to finish to develop (\$400,000 of the funding was provided by the Technology Opportunities Program and the remaining investment was from WellsFargo Bank and other sources.). The website is available to anyone with Internet access. But, what makes the project more accessible in the rural cities and towns of Montana is the partnership with WellsFargo. The bank, which has locations throughout Montana's, has placed workstations within twelve of its most rural branches. This allows rural customers who may not have broadband services available or even dial-up access to the Internet to utilize the incubator during their regular trips to the bank. Bank staff members have been trained to be able to facilitate the site's use by even novice computer users. Participants in the incubator learn skills such as:

- Accessing key databases on the web;
- Locating foreign partners and sales leads online;
- Marketing products and services globally;
- Accessing banking, accounting, freight forwarding, and other services essential to domestic and international trade.

The Incubator is helping to increase the number of export-ready companies in Montana and the Rocky Mountain Region. Significantly, it is increasing awareness of e-business tools among Native American businesses – which have been among the hardest-hit by falling on the wrong side of the “digital divide.”

Each year, 100 new businesses have been identified to be a part of the incubator. They participate in interactive online diagnostic assessments. These are evaluated by the state's leading business consultants, who work with incubator businesses via e-mail, chat rooms, and videoconferencing.

Outcomes:

The site has been well-used as evidenced by the following usage statistics.

Rockymountainbusiness.com Usage Statistics		
Hits	Entire Site (Successful)	1,329,575
	Average Per Day	1,206
	Home Page	1,085
Page Views	Page Views (Impressions)	398,171
	Average Per Day	361
	Document Views	378,264
Visitor Sessions	Visitor Sessions	93,295
	Average Per Day	84
	Average Visitor Session Length	00:18:27
	International Visitor Sessions	6.54%
	Visitor Sessions of Unknown Origin	37.99%
	Visitor Sessions from United States	55.46%
Visitors	Unique Visitors	22,773
	Visitors Who Visited Once	18,045
	Visitors Who Visited More Than Once	4,728

Two of the statistics most clearly illustrate the site's contribution and impact. Nearly 100 people per day use the site for an average of approximately 20 minutes. The high average time stat is indicative of the depth of useful information site visitors find on the site.

End User Comments:

One company that has taken advantage of the program is TowHaul/Smith Equipment USA (www.towhaul.com), of Belgrade, Montana, which specializes in designing and building heavy equipment for use primarily in the mining industry. President and General Manager Kim Wild reports the website continues to be an important asset to her. She has been primarily responsible for international sales and marketing for TowHaul, which had exclusively served the U.S. market for 30 years until 2002. Relying on the rockymountainbusiness.com website, Mr. Wild has been able to research markets, development sales leads, and access a network of consultants and government organizations to facilitate the company's foray into international sales. In 1999, the company began exporting heavy equipment to Australia. Ms. Wild anticipates exponential growth in international sales. She says that she and her staff feel that rockymountainbusiness.com is like having an entire team of specialist on their team to help them

through each international deal. Ms. Wild was named U.S. National Small Business Exporter of the Year 2004 and became chair of the Montana District Export Council.

Another company that uses the site is Mortech, a medical equipment supplier, based in Missoula, MT. Mortech CEO Steve Bixby credits the site with helping him research the rules and regulations for exporting medical equipment devices to specific foreign countries. He says that his company had saturated 95% of the US market and there logical growth is to overseas markets. He praises the rockymountainbusiness website as a great starting point for companies new to exporting, particularly singling out the frequently asked questions section as being most helpful.

A third example of a company benefiting from the site is the very small company, with less than 30 employees, Westpaw Designs, based in Bozeman, MT. West Paw Designs makes high quality pet products for dogs and cats. The company primarily uses the website to research new markets and reports that the website has been useful to them in their initial foray into exporting.

Staff Comments:

Mark Peters, who presides over the District Export Council, is extremely proud of the rockymountainbusiness.com website. He reports that the site has given those involved in exporting at every level a place to focus their efforts, providing an invaluable tool, particularly for Montana companies who have traditionally had a difficult time becoming “export-ready” due in large part to the barriers inherent in the geography and culture of Montana. The Virtual Incubator Project has helped the MT District Export Council become a model for other DEC’s nationwide and is a major factor in the steady growth in exports the State is experiencing.

Dr. Fraser McLeay, senior associate with the Montana World Trade Center, served as the project director. Dr. McLeay is also proud of the success of the project and believes strongly that it has achieved its mission to become a one-stop shop for exporting information and support for people trying to grow their businesses in the rural Rocky Mountain west. He commented that the most difficult aspect of the project was managing the timing of the project. The project relied heavily on support from The University of Montana, where both the World Trade Center and the MT District Export Council have office space and an affiliation. In addition, the project’s progress was dependent upon the cooperation of WellsFargo, which underwent significant management changes during the project. Coordinating the participation of The University of Montana and WellsFargo Bank, both large institutions, was at times difficult and resulted in the project taking much longer to complete. However, in Dr. McLeay’s opinion, the project would not have been able to be near the success that it has been without the involvement of both of these well-established entities. Dr. McLeay receives positive comments about rockymountainbusiness.com from clients the MWTC assists, from students in the UM International Business Program, and from others throughout the State who are involved in international business.

Ryan Wright served as the coordinator of the website design team. Mr. Wright reports that one of his biggest challenges was keeping a consistent group of students together. Each time a student who had worked on the project graduated, a considerable knowledge base was lost that had to be relearned. It would have made the process easier to have had a consistent team, but that is not possible working with students. Mr. Wright also added that there is a new technology available that would have cut the development time in half for the project had it been available when this project was designed...that is the Microsoft .NET framework.

Conclusion/Recommendations:

The Virtual E-Business Incubator project has been a tremendous success. As a result of the project, the Montana District Export Council was showcased at the national meeting of District Export Councils, and two state DEC's have already invited Dr. McLeay and Mr. Peters to present the project to their board members.

The project has received extensive press coverage throughout the State, in television, print and magazine articles read by those interested in business issues. Due in part to the extensive press coverage, the project has been extended outside of the borders of Montana, with visitors from throughout the Rocky Mountain region. This has been particularly gratifying as it was one of the goals of the project as envisioned originally.

Perhaps the most significant aspect of the project was the foresight to have WellsFargo as a partner. The bank was chosen with the thought that it could help to reach business people in the most rural areas of the State...and that did happen with success. But, one of the most positive and surprising developments from the project is that the bank became a partner on an even deeper level. Because of their involvement in the incubator project, the WellsFargo team became much more understanding and realistic about the challenges involved in exporting products to foreign countries. This knowledge has made WellsFargo much more helpful to Montana companies trying to export. Also, since they are now able to get involved on the ground level of a company's foray into exporting, the Bank became part of the team, working along with the lawyers and accountants who also must be involved in international transactions.

The professors that oversaw the development of the website have also reported another significant factor. The students who worked on building the website gained tremendously valuable skills and experience, leading them to get private sector jobs upon graduation at higher salaries and with greater responsibilities than many of their peers. These students were able to learn valuable technical skills, but equally important, they learned how to use technology to network into vast resources. Their knowledge of and facility with the rockymountainbusiness.com website and the many resources it leads to will be most helpful to their employers.

In evaluating the project, it is clear that the virtual business incubator achieved and in many cases exceeded the goals outlined in the original funding proposal. It reaches larger, more established companies like Smith/TowHaul, while at the same time, serving smaller, less experienced companies like West Paw Designs. The project has also been widely used among the Native American business community. It has changed the landscape in Montana providing focus to those at every level who are involved in international business, from small companies to large companies, from lawyers, to accountants to bankers, and from students to executives. The virtual incubator project will continue to exist and change to meet a growing, diverse clientele of businesses that choose, in spite of the inherent barriers, to locate their global concerns in the beautiful Rocky Mountain corridor.

If you have any questions re this project or evaluation, please contact me.

Respectfully submitted via electronic mail by,

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